Sri S. NIJALINGAPPA.—I am willing to do that even now.

Sri V. P. DEENADAYALU NAIDU.—With regard to the basic principles that were enunciated by the Bombay Chief Minister, has the Chief Minister of this State accepted those basic principles?

Sri S. NIJALINGAPPA.—Each question depends upon the area in dispute. What applies to one set of circumstances need not apply to the other.

Sri A. BHEEMAPPA NAIK.—What are the places in respect of which we have laid claim in Bombay, Madras and Andhra areas?

Sri S. NIJALINGAPPA.—It will be a long list. I think Sri A. Bheemappa Naik is one of those who knows it very well.

Sri V. P. DEENADAYALU NAIDU.—Has the Chief Minister agreed to the principle enunciated by the Bombay Chief Minister so far as the Bombay border area is concerned?

Sri S. NIJALINGAPPA.—The Bombay Chief Minister has given his opinion as to how this border area question should be decided. I have got certain differences of opinion with him. So, we have to sit and decide.

Sri G. ANNA RAO.—May I know whether the Cabinet has taken a decision as to what areas should be conceded and what areas should be claimed?

Sri S. NIJALINGAPPA.—The Cabinet cannot decide such a thing now.

2 P.M.

ಶ್ರೀ ಬಿ. ಕೆ. ಪುಟ್ಟರಾಮಯ್ಯ.—Border adjustment ವಿಷಯದಲ್ಲಿ ಬೊಂಬಾಯಿ ಸರ್ಕಾರದೊಂದಿಗೆ ಮಾತ್ರ ಪತ್ರ ವ್ಯವಹಾರ ನಡೆಸಿದ್ದೀರಾ ಅಥವಾ ಕನ್ನಡ ಭಾಗಗಳಿರುವ ಇತರ ಸರ್ಕಾರಗಳೊಡನೆಯೂ ನಡೆಸಿದ್ದೀರಾ?

ಅಧ್ಯಕ್ಷರು.—ಎಲ್ಲ ಕಡೆಯೂ ನಡೆಸಿದ್ದೇವೆ ಎಂದು ಹೇಳಿದ್ದಾರೆ.

Sri A. R. PANCHAGAVI—Is the Government aware that taking village as a unit would lead to trouble and agitation?

Sri S. NIJALINGAPPA.—It is a matter of opinion.

Sri G. VENKATAI GOWDA.—Has it come to the notice of the Chief Minister that people who are residing outside Mysore are entertaining the impression that the Chief Minister is not so serious in his agitation now as he was before the integration?

Sri S. NIJALINGAPPA.—I am certain that they are not so.

Sri J. H. SHAMSUDDIN.—May I request the Chief Minister to request the Chief Minister of Bombay to close this issue for some time?

Sri S. NIJALINGAPPA.—That is a suggestion for action.

ಶ್ರೀ ಎಸ್. ಜಿ. ನರಸಿಂಹೇಗೌಡ.—ನೀಲಗಿರಿ ಜಿಲ್ಲೆಯ ಕನ್ನಡ ಪ್ರದೇಶಗಳು ಮೈಸೂರಿಗೆ ಸೇರುವ ವಿಚಾರದಲ್ಲಿ ಮದ್ರಾಸು ಸರ್ಕಾರದೊಡನೆ ವ್ಯವಹಾರ ನಡೆಸುತ್ತಿದ್ದೀರಾ?

ಶ್ರೀ ಎಸ್. ನಿಜಲಿಂಗಪ್ಪ.—ವ್ಯವಹಾರ ನಾಕಷ್ಟು ನಡೆಯುತ್ತು. ಅವರು ಮೈಸೂರಿಗೆ ಬಂದೇ ತೀರುತ್ತೇವೆಂದು ನಾಕಷ್ಟು ಕಾರ್ಡಫರೆನ್ಸ್ ಮಾಡಿದ್ದಾರೆ. ಈಗಲೂ ಕೆಲವರು ಆ ರೀತಿ ಕೇಳುತ್ತಿದ್ದಾರೆ.

Sri G. ANNA RAO.—May I know, Sir, from the discussions held so far with the Bombay Chief Minister, whether there is any likelihood of an amicable settlement of this issue?

Sri S. NIJALINGAPPA.—Hope springs eternal in the human breast.

Sri H. C. LINGA REDDY.—May I know whether it is the language or the wishes of the people which will be taken into consideration while deciding these issues?

Sri S. NIJALINGAPPA.—There are various aspects of the problem to be considered. A categorical answer cannot be given, Sir. It is not only the language and the wishes of the people, but there are other factors also, such as geographical contiguity, economic problems and the administrative difficulties. Therefore I cannot give a categorical answer.

Sri H. C. LINGA REDDY.—May I know whether the Government will be taking this House into confidence before taking a decision in the matter?

Sri S. NIJALINGAPPA.—It is a suggestion for action.

Constitution of State Finance Corporation.

Q.—2572. Sri V. P. DEENADAYALU NAIDU (Cubbonpet).—

Will the Government be pleased to state:—

the reasons for not constituting a Finance Corporation in the State?

A.—Sri C. M. POONACHA (Minister for Home Affairs and Industries).—

Government has already taken steps to constitute a State Finance Corporation in Mysore State and a Special Officer was appointed in 1957 to submit a preliminary scheme for starting a Financial Corporation. The Special Officer has submitted a preliminary scheme and the same was examined by Government and was forwarded to the Reserve Bank of India and the Ministry of Finance, Government of India, Delhi, with regard to allocation of shares and fixation of minimum dividend during the first year. The Reserve Bank and the Government of India have suggested certain modifications in the preliminary scheme and have sought the views on these points. The points are being examined by Government and the views will be communicated to the Reserve Bank and the Government of India. Thus it will be seen that the formation of a State Financial Corporation for Mysore State is under active consideration of Government.

Sri V. P. DEENADAYALU NAIDU.—Is the Government in a position to State Sir, the allocation of shares between the Government of India, the State Government and the public in the formation of the Corporation ?

*Sri C. M. POONACHA.—The whole question is in a formative stage. I cannot be quite clear on that point. But I can say tentatively that it is proposed to allocate shares in the following proportion : Total share value is about 75 lakhs of which 24 lakhs will be State Government's share 20 lakhs will be subscribed by the Reserve Bank; 31 lakhs will be subscribed by scheduled Banks, and so on.

Sri V. P. DEENADAYALU NAIDU.—It is stated that the Reserve Bank and the Government of India have suggested certain modifications in the preliminary scheme. Will the Government be able to say Sir, what is the effect of this amendment on the preliminary scheme ?

Sri C. M. POONACHA.—They are just suggestions made with regard to certain rules and conditions, issue of loans and procedure that will have to be followed. Substantially, it does not have any effect so far as the financial structure is concerned.

Sri J. B. MALLARADHYA.—Sir, will the Government be pleased to state the date on which the Act was made applicable to the State also and how long since is this corporation in formation ?

Sri C. M. POONACHA.—The Central Act came into force in 1952.

Sri V. P. DEENADAYALU NAIDU.—When will this corporation come into existence ?

Sri C. M. POONACHA.—As soon as the formalities and other things are finalised in consultation with the Government of India.

Dr. R. NAGAN GOWDA.—In broad detail, what will be the functions of the Finance Corporation ?

Sri C. M. POONACHA.—It is expected to assist and aid the industries which are to come into existence and those which are existing, for their development and efficient functioning.

Dr. R. NAGAN GOWDA.—How long, in the view of this Government, this corporation is in the offing ?

Sri C. M. POONACHA.—In the answer I have said that in 1957 we took it actively under consideration, appointed a special officer and arrived at a proper arrangement and the whole thing has been submitted to the Government of India for their approval.

Sri C. K. RAJAIAH SETTY.—Do the Government feel the necessity for this corporation because this Second Five-Year Plan happens to be an Industrial plan ?

Sri C. M. POONACHA.—It is very much so and because of that, we have done this.

ಶ್ರೀ ಯು. ಎಂ. ಮಾದಪ್ಪ.—ಕೇಂದ್ರ ಸರ್ಕಾರದಿಂದ ಕೆಲವು objections ಬಂದಿವೆ ಎಂದು ಹೇಳಿದರು. ಅವುಗಳಿಗೆ ಈಗಾಗಲೇ ಉತ್ತರ ಬರೆದು ಕಳುಹಿಸಿದ್ದಾರೆಯೇ ಅಥವಾ ಸರ್ಕಾರದಲ್ಲಿ pending ಆಗಿದೆಯೇ ?

ಶ್ರೀ ಸಿ. ಎಂ. ಪೂಣಚ್ಚ.—ನೂಕ್ಕವಾದ ಅಭಿಪ್ರಾಯುಗಳೊಡನೆ ಕಳುಹಿಸಿಕೊಟ್ಟಿದ್ದೇನೆ.

ಶ್ರೀ ಯು. ಎಂ. ಮಾದಪ್ಪ.—ಕಳುಹಿಸಿಕೊಟ್ಟು ಎಷ್ಟು ಕಾಲವಾಯಿತು ?

ಶ್ರೀ ಸಿ. ಎಂ. ಪೂಣಚ್ಚ.—ನುಮಾರು ಒಂದು ತಿಂಗಳಾಗಿರಬಹುದೆಂದು ಕಾಣುತ್ತದೆ.

Sri V. P. DEENADAYALU NAIDU.—Is this Corporation meant for both private sector and public sector?

Sri C. M. POONACHA.—So far as the public sector is concerned, its scope does not extend to cover that. It is entirely to assist industries in the private sector.

Sri J. B. MALLARADHYA.—What is the probable amount of total capital of the corporation that is to be allotted to the private investment and institutional investment?

Sri C. M. POONACHA.—The share value is Rs. 100. 4,000 shares are proposed to be allotted to Co-Operative Banks, 15,000 shares to the commercial Banks, and about 15,000 shares to the Insurance Corporation. 24 lakhs shares are to be allotted to the State Government. It is a tentative proposal. It is not final.

Sri J. B. MALLARADHYA.—The question was whether any portion of the investment is shared by the individual investment or the public?

Sri C. M. POONACHA.—No Sir, this is all institutional investment.

Sri K. S. SURYANARAYANA RAO.—What will be the personnel to operate this corporation?

Sri C. M. POONACHA.—There will be a Board, a Chairman and an administrative office.

Sri K. S. SURYANARAYANA RAO.—Will it be non-official or official, Sir?

Sri C. M. POONACHA.—This is a matter of detail. We have not taken any final decision.

Sri U. M. MADAPPA.—Will shares be allotted to the private sector?

Sri C. M. POONACHA.—Banks and Co-Operative Institutions are private sector.

Sri L. S. VENKAJI RAO.—Is there scope for increasing the capital?

Sri C. M. POONACHA.—It is said that will be considered as and when the scope of functioning of the Corporation develops and expands.

Sri C. K. RAJAIAH SETTY.—May I know whether there is Budget allotment this year for the share worth Rs. 24 lakhs?

Sri C. M. POONACHA.—I must look into it. I think some provision has been made, and if additional provision s to be made, we will come before the House with Supplementary Demands.

Sri A. R. PANCHAGAVI.—Will this cover major industries or minor industries also?

Sri C. M. POONACHA.—They are supposed to assist medium and small scale industries in the first instance.

Mr. SPEAKER.—Question time is over.

QUESTIONS FOR ANSWERS ON THE DAY

(but not taken up)

Loan advanced to Ganeshar Textile Mills, Davangere.

Q.—3488. Sri Y. VEERAPPA (Holenarasipur).—

Will the Government be pleased to state:—

(*a*) the total amount of loan, iadvanced to the Ganeshar Textile Mills Davangere, by the Government and the percentage of interest and terms under which the loan is advanced;

(*b*) the total interest so far derived;

(*c*) the mode of payment of the loan agreed upon;

(*d*) the period up to when the accounts of the Mills have been audited and the percentage of dividend declared?

A.—Sri C. M. POONACHA (Minister for Home Affairs and Industries).—

(*a*) A consolidated loan of Rs. 20 lakhs was advanced to the Mills.

(i) *Interest*:—4 per cent up to 1950 and from 15th June 1950 to 16th January 1956 ordinary interest at 5 per cent were charged which was subsequently changed to 5 per cent ordinary and 9 per cent penal per annum.

(ii) *Mode of Re-payment*:—The entire loan was advanced for a period of one year. As the Mills have notrepaid the amount within the period stipulated, the mode of repayment was changed to monthly instalments of